



Members of the Michigan House Transportation and Infrastructure Committee,

Act 51 currently requires that all incorporated cities and villages with a population larger than 25,000 to pay a portion of the Michigan Department of Transportation's project costs for opening, widening, and improving state trunkline highways within that incorporated city or village. A city or village is required to pay 12.5% of the project cost if their population is greater than 50,000, 11.25% of the project costs if their population is between 40,000 and 50,000, and 8.75% of the project costs if their population is between 25,000 and 40,000. This statute affects 45 cities in Michigan. (See reverse side for affected cities)

SB 557 would eliminate the requirement for incorporated cities and villages greater than 25,000 to cover a portion of the Michigan Department of Transportation projects cost. As Michigan works to develop a 21<sup>st</sup> century transportation network these 45 cities should no longer be required to subsidize MDOT's costs for the following reason:

- All country road agencies and incorporated cities and villages with a population less than 25,000 are not required to pay a portion of MDOT's project cost creating inequity in the system.
- The funds used to pay for the cost of these projects comes directly from the 21.8% percent of funding received by cities and villages under Act 51. This results in less than 21.8% of Act 51 funding actually being used on local roads.
- These matching funds can cost a local road agency a significant portion of their Act 51 funding.
  - Example: Madison Heights
    - Estimated Act 51 Funding for FY 17: \$2.24 million
    - Total estimated payments for I-75 widening: \$4.025 million from 2018 - 2026
- Covering these project costs can delay, reduce, or eliminate future rehabilitation or reconstruction projects and significantly hinder a city's ability to conduct routine maintenance such as snow plowing
- MDOT's planning process allocates state spending on projects based on the needs of their system without taking into account a city's ability to contribute to the cost of those projects as required by Act 51. An unexpected bill from the Department could cripple a city's local road program for years

The Governor recently signed the first significant increase in transportation funding since 1997. These additional funds will allow many projects that have been sitting on the shelf for years to move forward. We must ensure that as these new funds are introduced into the system the impact of those funds directly correlates to the road agencies that receive them. These 45 cities should no longer be required to subsidize MDOT's budget, allowing the Department to accelerate improvements to their system at the expense of those cities' budgets and the condition of their local roads.

Thank you for your time.

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**City: 2010 Census Population**

Detroit: 713,777

Grand Rapids: 188,040

Warren: 134,056

Sterling Heights: 129,699

Lansing: 114,297

Ann Arbor: 113,934

Flint: 102,434

Dearborn: 98,153

Livonia: 96,942

Westland: 84,094

Troy: 80,980

Farmington Hills: 79,740

Kalamazoo: 74,262

Wyoming: 72,125

Southfield: 71,739

Rochester Hills: 70,995

Taylor: 63,131

St. Clair Shores: 59,715

Pontiac: 59,515

Dearborn Heights: 57,774

Royal Oak: 57,236

Novi: 55,224

Battle Creek: 52,347

Saginaw: 51,508

Kentwood: 48,707

East Lansing: 48,579

Roseville: 47,299

Portage: 46,292

Midland: 41,863

Muskegon: 38,401

Lincoln Park: 38,144

Bay City: 34,932

Jackson: 33,534

Holland: 33,051

Eastpointe: 32,442

Port Huron: 30,184

Southgate: 30,047

Burton: 29,999

Madison Heights: 29,694

Oak Park: 29,319

Allen Park: 28,210

Garden City: 27,692

Mount Pleasant: 26,016

Wyandotte: 25,883

Inkster: 25,369